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RUEHCG/AMCONSUL CHENNAI 1382  
RUEHDE/AMCONSUL DUBAI 0013  
RUEHKT/AMEMBASSY KATHMANDU 0579  
RUEHIL/AMEMBASSY ISLAMABAD 0743  
RUCNDT/USMISSION USUN NEW YORK 0099  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHBI/AMCONSUL MUMBAI 0212

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DEPARTMENT FOR ISN, ISO AND NEA/IR  
TREASURY FOR TFFC

E.O. 12958: DECL: 4/13/2017  
TAGS: [ETTC](#) [KNNP](#) [PARM](#) [IR](#) [IN](#)  
SUBJECT: DEMARCHE ON UNSCR 1747

REF: A: STATE 40440; B: NEW DELHI 1702 C: NEW DELHI 1486

CLASSIFIED BY: Michael S. Owen, Consul General, Consulate  
General Mumbai, State.  
REASON: 1.4 (b), (d)

11. (C) ConGen Mumbai contacted the Reserve Bank of India (RBI) to determine what steps it had taken pursuant to India's obligations under United Nations Security Council Resolution 1747 - to freeze the assets of Bank Sepah (Iran). Prashant Saran, the RBI's Chief General Manager, told us that RBI does not take the decision to freeze assets of any banks but acts only on instructions from the GOI Ministry of Finance (MoF) or MoF's Enforcement Directorate, New Delhi. Accordingly, he asked us to direct our inquiry to MoF. A General Manager of RBI's foreign exchange department repeated the same message.

12. (C) We also spoke to banks. Per Ref A we understand that the State Bank of India (SBI), a public sector bank and also India's largest bank, has a correspondence banking relationship with Bank Sepah. S. K. Hariharan, Deputy Managing Director of SBI's international banking division, confirmed that his bank was aware of the implications of the resolution. He told us that SBI had instructed its divisions and branches to act with caution regarding transactions with Bank Sepah. He would not go into further detail, but referred us to the Foreign Exchange Dealers' Association of India (FEDAI). P. K. Pain of FEDAI confirmed that FEDAI alerted its membership to the resolution and issued instructions to its member banks to be cautious in dealing with Bank Sepah. He refused to provide more details including the question of freezing of assets saying it is confidential. Sanjay Chougule, compliance officer with ICICI

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Bank, India's largest private sector bank, confirmed that his bank's compliance monitoring systems had already noted the resolution; the systems would prevent anyone in the bank from closing a transaction with Bank Sepah, he told us.

13. (C) Comment: We do not expect that the RBI will be any more forthcoming on this issue and will continue to refer the U.S. Mission to the MoF, which takes the lead on freezing assets. However, industry reactions do show that the Indian banking market is already aware of the implications of the resolution, and that at least two of the largest banks in the country may

have ceased all transactions with Bank Sepah. End comment.

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